

Message Text

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PAGE 01 NOUAKC 00296 031134Z
ACTION AF-10

INFO OCT-01 EUR-12 AID-05 CIAE-00 COME-00 EB-08 FRB-03
INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03
SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-07
CEA-01 ISO-00 /093 W
-----028326 040732Z /14

R 021720Z FEB 78
FM AMEMBASSY NOUAKCHOTT
TO SECSTATE WASHDC 8861
INFO AMEMBASSY ABIDJAN
AMEMBASSY ABU DABI
AMEMBASSY ALGIERS
AMEMBASSY DAKAR
AMEMBASSY DOHA
AMEMBASSY JIDDA
AMEMBASSY KUWAIT
AMEMBASSY PARIS
AMEMBASSY RABAT

C O N F I D E N T I A L NOUAKCHOTT 296

SECSTATE PASS ALSO TO COMMERCE DEPARTMENT

E.O. 11652: GDS
TAGS: ECON, EFIN, EMI, EINV, MR
SUBJ: MAURITANIA ENCOURAGES FOREIGN PRIVATE INVESTMENT

REF: NOUAKCHOTT 255 (NOTAL)

1. THE MAURITANIAN GOVERNMENT (GIRM) IS CLEARLY COURTING
FOREIGN PRIVATE INVESTORS. FONMIN MOUKNASS TOLD ME THAT GIRM
WOULD WELCOME AMERICAN PRIVATE SECTOR PARTICIPATION IN MAURITANIA'S
REORIENTED ECONOMY. I DEDUCED FROM HIS CONVERSATION THAT EVEN THOUGH
(AS REPORTED SEPTTEL) THE NEW INVESTMENT CODE HAS BEEN APPROVED
BY THE PRESIDENT, THE DETAILS OF THE INVESTMENT POLICY
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PAGE 02 NOUAKC 00296 031134Z

PROVISIONS ARE PURPOSELY NOT BEING ANNOUNCED OR PERHAPS EVEN
FINALIZED SO AS TO PERMIT FLEXIBILITY IN DEALING WITH WHAT HE
REFERRED TO AS ANY REASONABLE PROPOSAL. AT THE MOMENT, GIRM
APPEARS TO BE THINKING IN TERMS OF A 51 PERCENT VERSUS 49 PERCENT
DIVISION BETWEEN GIRM AND FOREIGN PRIVATE INVESTMENT IN THEOYOTAL
CAPITALIZATION OF FIRMS LIKE SOCIETE NATIONALE INDUSTRIELLE ET
MINIERE (SNIM) AND AIR MAURITANIA THAT HITHERTO HAD BEEN STATE

CONTROLLED. SOME MAURITANIAN BUSINESSMEN SPECULATE THAT GIVEN THE RIGHT CIRCUMSTANCES GIRM MIGHT EVEN BE WILLING TO RELINQUISH ITS 51 PERCENT MAJORITY CONTROL. FONMIN ADMITTED THAT MAURITANIA'S EXPERIENCE DURING LAST FEW YEARS DEMONSTRATED THAT STATE-CONTROLLED CORPORATIONS WERE NOT EFFECTIVE HERE AND THAT FOREIGN CAPITAL AS WELL AS FOREIGN MANAGEMENT AND TECHNICAL EXPERTISE WERE SORELY NEEDED.

2. THE NEW PLANNING AND MINING MINISTER ABDOULAYE BARO TOLD ME THAT THE ARAB MINING COMPANY (SIC) AND THE ISLAMIC BANK HAVE BOTH MADE PROPOSALS FOR PARTICIPATION IN THE CAPITALIZATION OF SNIM. WE HEAR ALSO THAT FRENCH PRIVATE FIRMS ARE INTERESTED IN BUYING INTO SNIM. KRYZA

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Message Attributes

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